

**STATE BOARD OF EQUALIZATION
FISCAL YEAR 2005-06
FINANCE LETTER NO. 2**

TITLE OF PROPOSED CHANGE:

Consumer Use Tax Section Revenue Enhancement

SUMMARY OF PROPOSED CHANGES:

This proposal requests \$415,000 (\$270,000 General Fund and \$145,000 Reimbursements) and 7.0 permanent full-time, revenue generating positions (6.6 PYs) in the budget year (FY 2005-06) and \$342,000 (\$223,000 General Fund and \$119,000 Reimbursements) and 7.0 permanent full-time, revenue generating positions (6.6 PYs) in the budget year-plus-one (FY 2006-07) and ongoing to 1) Increase the compliance of vehicle, vessel, and aircraft transactions to generate additional use tax revenue and 2) Implement a new United States Customs Program to generate additional use tax revenue. It is anticipated that the additional 7.0 positions will increase revenues by an estimated \$3.9 million in FY 2005-06 and \$7.9 million in FY 2006-07.

FISCAL IMPACT:

	Appropriation No.			Dollars (in Thousands)		
	(Org)	- (Ref)	- (Fund)	Past Year	Current Year	Budget Year
Existing Program:	_____	_____	- _____	\$ _____	\$ _____	\$ _____
	_____	- _____	- _____	\$ _____	\$ _____	\$ _____
	_____	- _____	- _____	\$ _____	\$ _____	\$ _____
	_____	- _____	- _____	\$ _____	\$ _____	\$ _____
Reimbursements	_____	_____	_____	\$ _____	\$ _____	\$ _____
	TOTAL			\$ N/A	\$ N/A	\$ N/A
Positions				_____	_____	_____
Personnel Years				_____	_____	_____
Proposed Changes:	0860	- 001	- 0001	\$ _____	\$ _____	\$ 270
(by appropriation)	_____	- _____	- _____	\$ _____	\$ _____	\$ _____
	_____	- _____	- _____	\$ _____	\$ _____	\$ _____
	_____	- _____	- _____	\$ _____	\$ _____	\$ _____
Reimbursements	0860	- 501	- 0995	\$ _____	\$ _____	\$ 145
	TOTAL			\$ _____	\$ _____	\$ 415
Positions				_____	_____	7.0
Personnel Years				_____	_____	6.6

For EDP requests, include date Special Project Report (SPR) or Feasibility Study Report (FSR), approved _____.

State Board of Equalization

Sales and Use Tax Department

CONSUMER USE TAX SECTION REVENUE ENHANCEMENT

Fiscal Year 2005-06

A. Nature of Request

The State Board of Equalization (BOE) submits this proposal to request funding for seven (7.0) permanent full-time, revenue generating positions in the Consumer Use Tax Section (CUTS) to enhance revenue production for the General Fund and local government in the State of California. These 7.0 positions will strengthen two compliance programs within CUTS, devoted to the collection of use tax as required by two statutes--Chapter 3 of the Sales and Use Tax Law and Chapter 3.5 of the Revenue and Taxation Code. These compliance programs are 1) the existing Vehicle, Vessel, and Aircraft Program¹ and 2) the new United States (U.S.) Customs Program. The specific resource needs for each program are:

1. Vehicle, Vessel, and Aircraft Program

The existing compliance program for vehicle, vessel, and aircraft requires \$350,000 and 6.0 permanent full-time, revenue generating positions (5.7 PYs) in FY 2005-06 and \$287,000 and 6.0 permanent full-time, revenue generating positions (5.7 PYs) in FY 2006-07 and ongoing.

These 6.0 positions will generate additional revenues of approximately **\$3.0 million** in FY 2005-06 at a benefit-to-cost ratio of **8.6:1** and **\$6.1 million** in FY 2006-07 and ongoing at a benefit-to-cost ratio of **21.3:1**.

The Department of Finance also asked whether the BOE was going to include this revenue opportunity which was proposed in the California Performance Review.

2. U.S. Customs Program

The new U.S. Customs Program requires \$66,000 and 1.0 permanent full-time, revenue generating position (.9 PYs) in FY 2005-06 and \$55,000 and 1.0 permanent full-time, revenue generating position (.9 PYs) in FY 2006-07 and ongoing.

This 1.0 position will conservatively generate estimated revenues of approximately **\$1.8 million** in FY 2005-06 at a benefit-to-cost ratio of **13.6:1** and **\$1.8 million** in FY 2006-07 and ongoing at a benefit-to-cost ratio of **32.7:1**.

In summary, the BOE requests \$415,000 and 7.0 permanent full-time, revenue generating positions (6.6 PYs) in FY 2005-06 and \$342,000 and 7.0 permanent full-time, revenue generating positions (6.6 PYs) in FY 2006-07 and ongoing. These 7.0 positions will generate estimated total revenues of **\$3.9 million** in FY 2005-06 and **\$7.9 million** in FY 2006-07 for the General Fund and local government in California.

¹ This Finance Letter is not related to the provisions in SB 1100 (Chapter 226, Statutes of 2004) regarding the extended out-of-state use period for vehicle, vessel, or aircraft purchased by a California resident.

B. Background/History

The CUTS is responsible for administering both Chapter 3 of the Sales and Use Tax Law and Chapter 3.5 of the Revenue and Taxation Code that address the collection of use tax in California. To comply with these statutes, the CUTS administers 1) the existing Vehicle, Vessel, and Aircraft Program and proposes to administer 2) the new United States (U.S.) Customs Program.

1. Vehicle, Vessel, and Aircraft Program

The Vehicle, Vessel, and Aircraft Program includes the purchases of vehicles, vessels, and aircraft that are subject to use tax from non-licensed sellers (private individuals).

To identify transactions subject to the use tax, the CUTS receives information from the following entities:

- Department of Motor Vehicles (DMV) regarding the transfer of vehicles and undocumented vessels;
- Federal Aviation Administration regarding the transfer of aircraft; and
- United States Coast Guard regarding the transfer of documented vessels.

This information is electronically uploaded to the CUTS Source Information File (SIF) which is a "pending registration" record. The CUTS staff reviews these pending records to extract transactions with use tax potential. Historically, approximately 80 percent of these pending records are closed, as they represent transfers not subject to the use tax. The remaining 20 percent of the records require further investigation and compliance efforts to collect the use tax and gain compliance.

Due to various funding reductions, the CUTS lost seven (7.0) revenue generating positions from FY 2000-01 through FY 2004-05 and went from a staffing level of 45.0 revenue generating positions in FY 2000-01 to a staffing level of 38.0 revenue generating positions in FY 2004-05. The loss of these positions required the CUTS to reprioritize and focus staff resources on transactions that would generate higher revenues--vessel and aircraft transactions. Although there are some vessel and aircraft transactions that still need to be processed, it is primarily the Vehicle Program that has been negatively impacted, and has a growing backlog of work.

The Vehicle Program includes two sub-programs—the Intervenor Program and the Vehicle Shortage Program. In order to maintain an active vehicle compliance program and maximize staffing resources, the dollar threshold for the screening and review of both types of vehicle transactions (defined differently for each vehicle program on pages 6 and 8 of 16 under Alternative 1) were increased to better manage the sheer volume of potential use tax transactions.

B. Background/History (Continued)

1. Vehicle, Vessel, and Aircraft Program (Continued)

Both the Intervenor Program and the Vehicle Shortage Program most certainly represent an additional revenue generating opportunity for the BOE and California.

2. U.S. Customs Program

The CUTS is also responsible for pursuing new and yet untapped resources for use tax collection in California. One such untapped resource is located within the U.S. Customs office where items are imported through California's commercial ports of entry.

A pilot study of the effectiveness of use tax collection based on U.S. Customs' data furnished to the BOE produced positive results. The data included approximately 850,000 to 1,100,000 individual quarterly transactions on items imported through California's commercial ports of entry. The pilot study more specifically focused on the third and fourth quarters of 2001. In that study, a total of approximately 62 hours were spent to produce 16 leads (transactions with potential use tax collection) that yielded nearly \$400,000 resulting in an average use tax collection of \$6,410.36 per hour.

Although the data supports a revenue estimate of \$6,410.36 per hour, CUTS is conservatively estimating \$1,000 per hour in developing its revenue estimates for FY 2005-06 and FY 2006-07.

This new compliance program also represents an additional revenue generating opportunity for the BOE and California.

C. State Level Considerations

As required by Budget Letter #04-07 (2005-06 Budget Preparation Guidelines), this proposal addresses the statutes contained in both Chapter 3 of the Sales and Use Tax Law and Chapter 3.5 of the Revenue and Taxation Code.

STRATEGIC PLAN CONFORMITY:

This proposal is consistent with the BOE' Strategic Plan. Specifically, this proposal conforms to:

- Issue 2 - Modernizing Tax Compliance Practices, Strategy 3 – Identify and analyze areas of noncompliance and develop approaches to address targeted problem areas, while maintaining customer-service awareness.

D. Justification/Analysis of All Feasible Alternatives

Alternative 1

Alternative 1 requests funding for \$ 415,000 and 7.0 revenue generating positions (6.6 PYs) in FY 2005-06 and \$342,000 and 7.0 revenue generating positions (6.6 PYs) in FY 2006-07 to capture use tax through two compliance programs within CUTS--1) the existing Vehicle, Vessel, and Aircraft Program, and 2) a new U. S. Customs Program.

1. Vehicle, Vessel, and Aircraft Program

The CUTS is requesting \$350,000 and 6.0 permanent full-time, revenue generating positions (5.7 PYs) in FY 2005-06 and \$287,000 and 6.0 permanent full-time, revenue producing positions (5.7 PYs) in FY 2006-07 and ongoing to generate additional estimated revenues of approximately **\$3.0 million** in FY 2005-06 and **\$6.1 million** in FY 2006-07 and ongoing for the General Fund and local government in California.

These 6.0 positions include three (3.0) Tax Technician Is, two (2.0) Tax Technician IIs, and one (1.0) Tax Technician III. The primary focus of these Tax Technicians will be to handle two sub-programs within the Vehicle Program: A) the one-time backlog and ongoing workload for the Intervenor Program and 2) the one-time backlog and ongoing workload for the Vehicle Shortage Program.

A. Intervenor Program

An "intervenor" vehicle transaction is one where an individual purchases a vehicle or undocumented vessel, does not submit the registration to the DMV and; therefore, does not pay the associated use tax to the DMV. This individual has created an "intervenor" transaction.

The BOE electronically receives information from the DMV regarding vehicles purchased from private individuals. The CUTS uses the DMV data to manually identify "intervenor" transactions. Currently, these transactions are processed if the tax threshold is greater than \$10,000. This tax threshold is defined as the actual selling price reported by the seller on the release of liability form.

For example, using the \$10,000 threshold as the determining criteria, if a seller sells his vehicle to purchaser A for \$15,000 and purchaser A does not register this vehicle with nor pay the use tax to the DMV, and then sells the same vehicle to purchaser B who does register the vehicle and pay use tax, then purchaser A has performed an "intervenor" transaction, because he/she did not register the vehicle and pay use tax on it. Continuing with this example, the seller's \$15,000 sale price exceeds the \$10,000 threshold. This transaction then becomes part of the current workload to be processed. Part of this workload has now become part of the current backlog.

D. Justification/Analysis of All Feasible Alternatives (Continued)

Alternative 1 (Continued)

1. Vehicle, Vessel, and Aircraft Program (Continued)

A. Intervenor Program (Continued)

With the 6.0 additional positions, these transactions would be worked consistently until they are eliminated and the \$10,000 threshold could be decreased to lower thresholds which, in turn, will increase the number of Intervenor transactions for potential use tax collection.

Unfortunately, lowering the thresholds on "intervenor" transactions does not guarantee an opportunity to collect 100 percent of the additional use tax that falls within the threshold. An additional filter for prioritizing the workload is a three to eight year statute of limitations that applies to each "intervenor" transaction.

The following chart details the backlog growth to be processed by the proposed 6.0 Tax Technicians. The backlog inventory of documents to be processed (furthest right column) shows the increase of work over FY 2000-01 through FY 2003-04. The backlog increased 64 percent from FY 2002-03 (18,878 documents) to FY 2003-04 (29,530).

Consumer Use Tax Section FY Comparison of Workload for Intervenor Program \$10,000 Threshold					
FY	Beginning Inventory of Documents to be Processed	New Documents to be Processed	Total Documents to be Processed	Total Documents Processed	Backlog Inventory of Documents to be Processed
00-01	5,421	43,216	48,637	45,558	3,079
01-02	3,079	43,242	46,321	43,273	3,048
02-03	3,048	43,704	46,752	27,874	18,878
03-04	18,878	37,024	55,902	26,372	29,530

The 6.0 TTs will also process the backlog and ongoing workload for the Vehicle Shortage Program.

B. Vehicle Shortage Program

The Vehicle Shortage Program involves an individual who purchases a vehicle from a private party and owes use tax. Most purchasers go to the DMV to transfer the vehicle into their name. DMV, acting as an agent for the BOE, collects the use tax.

D. Justification/Analysis of All Feasible Alternatives (Continued)

Alternative 1 (Continued)

1. Vehicle, Vessel, and Aircraft Program (Continued)

B. Vehicle Shortage Program (Continued)

DMV sends information on these transactions to CUTS and CUTS compares the purchase price declared by the purchaser at the time of registration with information provided by the seller. Any transactions that have a tax measure or threshold of less than \$3,500 are not worked. Threshold here is defined as the difference between the selling price and the purchase price.

For example, using the \$3,500 threshold as the determining criteria, if the seller sells a vehicle for \$9,000 and the purchaser pays \$9,000 for it but registers the vehicle and reports having paid \$5,000, this transaction meets the threshold criteria for the Vehicle Shortage Program, because the difference is greater than \$3,500.

With additional staff, CUTS could eliminate the backlog which is currently at the \$3,500 threshold. This threshold could then be decreased to lower thresholds, thereby increasing the number of Vehicle Shortage transactions for potential use tax collection.

The 6.0 Tax Technician responsibilities for the Intervenor and Vehicle Shortage Program will include:

3.0 Tax Technician Is (TT Is)

The 3.0 TT Is will screen all source documents received from various county, state, and federal agencies to determine potential tax liabilities and whether a registration must be established and use tax paid.

2.0 Tax Technician IIs (TT IIs)

The 2.0 TT IIs will issue and process billings for failure to file a tax return.

1.0 Tax Technician IIIs (TT IIIs)

The 1.0 TT III will issue and process the more complicated billings; handle all cancellations, adjustments, and refunds; and process various Integrated Revenue Information System (IRIS) reports.

The amount of revenue that can be generated by the TTs in the Vehicle Program decreases as the number of TTs increase. Simply stated, as more of the workload is processed, the more the dollar threshold can be lowered, resulting in less use tax to be collected per transaction. This is detailed in the chart below as provided by the BOE Sales and Use Tax Department's Compliance and Technology Section:

D. Justification/Analysis of All Feasible Alternatives (Continued)

Alternative 1 (Continued)

1. Vehicle, Vessel, and Aircraft Program (Continued)

**CUTS AVERAGE REVENUE/POSITION
FY 2001-02 AND FY 2002-03**

<u>Number of TT Positions</u>	<u>FY 2001-02 Revenue/Position</u>	<u>FY 2002-03 Revenue/Position</u>	<u>Average Revenue/Position</u>
36-40	\$1,564,200	\$970,200	1,267,200
41-45	1,068,804	694,385	881,613
46-50	735,996	522,865	629,431

The statistics above are used in the chart below to show how much revenue an additional 6.0 TTs can generate. As stated in the Background/History section on page 2 of 16, due to various funding reductions, CUTS currently has 38.0 revenue generating positions (46.75 budgeted positions minus 8.75 supervisors and support staff who do not generate revenue equals 38.0.) These 6.0 positions represent the 39th, 40th, 41st, 42nd, 43rd, and 44th TT in CUTS.

**REVENUE PRODUCTION
6.0 TAX TECHNICIANS**

<u>TT Positions</u>	<u>Average Revenue/Position</u>	<u>Total Revenue</u>
2.0_a/	\$1,267,200	\$2,534,400
4.0_b/	881,613	3,526,852
6.0		<u>\$6,060,852</u>

_a/ Represents 38th and 39th TT in CUTS.

_b/ Represents 40th, 41st, 42nd, and 43rd TT in CUTS.

Again, after the backlog is eliminated for both Vehicle Programs, the CUTS can lower the dollar thresholds to increase the number of "intervenor" and vehicle shortage transactions for additional use tax collection. These 6.0 positions will generate estimated total revenues of **\$3.0 million** in FY 2005-06 and **\$6.1 million** in FY 2006-07 and ongoing for California.

D. Justification/Analysis of All Feasible Alternatives (Continued)**Alternative 1 (Continued)****2. U.S. Customs Program**

The new U.S. Customs Program requires \$66,000 and 1.0 permanent full-time, revenue generating position (.9 PYs) in FY 2005-06 and \$55,000 and 1.0 permanent full-time, revenue generating position (.9 PYs) in FY 2006-07 and ongoing.

This 1.0 position will conservatively generate estimated revenues of approximately **\$.9 million** in FY 2005-06 and **\$1.8 million** in FY 2006-07 and ongoing.

A pilot study of the effectiveness of use tax collection based on U.S. Customs' data furnished to the BOE produced positive results. The data included approximately 850,000 to 1,100,000 individual quarterly transactions on items imported through California's commercial ports of entry. The pilot study more specifically focused on the third and fourth quarters of 2001. In that study, a total of approximately 62 hours were spent to produce 16 leads (transactions with potential use tax collection) that yielded nearly \$400,000 resulting in an average use tax collection of \$6,410.36 per hour.

Imports for 2001	Tax Measure	Estimate Tax @ 8%	Total Hours	Revenue Per Hour
QTR 3	\$2,023,199			
QTR 4	2,944,830			
Totals	\$4,968,029	\$397,442	62	<u>\$6,410.36</u>

Although the data supports a revenue estimate of \$6,410.36 per hour, CUTS is conservatively estimating \$1,000 per hour in developing its revenue estimates for FY 2005-06 and FY 2006-07.

Pros:

- Provides the resources and authority to generate additional revenues for the General Fund and local government in California.
- Improves the BOE's ability to be in compliance with the use tax portion of Chapter 3 of the Sales and Use Tax Law and Chapter 3.5 of the Revenue and Taxation Code.

Con:

- The BOE will establish new positions and acquire related additional resources at a time when the State of California is experiencing a financial deficit.

D. Justification/Analysis of All Feasible Alternatives (Continued)

Alternative 2

Do Not Approve the Authority to Establish Resources to Increase Consumer Use Tax Enforcement.

Pro:

- The BOE will not need to establish new positions and acquire related additional resources at a time when the State of California is experiencing a financial deficit.

Cons:

- The State of California will not benefit from the opportunity to generate additional revenue.
- The BOE's ability to be in compliance with the use tax portion of Chapter 3 of the Sales and Use Tax Law and Chapter 3.5 of the Revenue and Taxation Code will be compromised.

E. Timetable

It is proposed that the following recommended alternative be effective July 1, 2005.

F. Recommendation

It is recommended that Alternative 1 be approved and that the BOE be authorized funding for \$ 415,000 (\$270,000 General Fund and \$145,000 Reimbursements) and 7.0 permanent full-time, revenue generating positions (6.6 PYs) in FY 2005-06 and \$342,000 (\$223,000 General Fund and \$119,000 Reimbursements) and 7.0 permanent full-time, revenue generating positions (6.6 PYs) in FY 2006-07 to capture use tax through two compliance programs within CUTS--1) the existing Vehicle, Vessel, and Aircraft Program, and 2) the new U. S. Customs Program. Each program requires the following resources:

1. Vehicle, Vessel, and Aircraft Compliance Program

\$350,000 (\$228,000 General Fund and \$122,000 Reimbursements) and 6.0 permanent full-time, revenue generating positions (5.7 PYs) in FY 2005-06 and \$287,000 (\$187,000 General Fund and \$100,000 Reimbursements) and 6.0 permanent full-time, revenue generating positions (5.7 PYs) in FY 2006-07 and ongoing.

These 6.0 positions will generate additional revenues of approximately **\$3.0 million** in FY 2005-06 at a benefit-to-cost ratio of **8.6:1** and **\$6.1 million** in FY 2006-07 and ongoing at a benefit-to-cost ratio of **21.3:1**.

F. Recommendation (Continued)

2. United States Customs Program

\$66,000 (\$43,000 General Fund and \$23,000 Reimbursements) and 1.0 permanent full-time, revenue generating position (.9 PYs) in FY 2005-06 and \$55,000 (\$36,000 General Fund and \$19,000 Reimbursements) and 1.0 permanent full-time, revenue generating position (.9 PYs) in FY 2006-07 and ongoing.

This 1.0 position will generate estimated revenues of approximately **\$.9 million** in FY 2005-06 at a benefit-to-cost ratio of **13.6:1** and **\$1.8 million** in FY 2006-07 and ongoing at a benefit-to-cost ratio of **32.7:1**.

Both of these compliance programs present an excellent opportunity for the BOE to generate additional revenues for the General Fund and local government in the State of California.

As a side note regarding the 38.0 existing Tax Technicians in the CUTS:

In a separate budget document that is due to the DOF in June 2005, the BOE will request to officially change the existing 38.0 Tax Technician positions in the CUTS from "non-revenue generating" to "revenue generating." This change will create consistency within the BOE, as the Tax Technician positions in the field performing the same work are already officially designated as revenue generating.

G. Fiscal Detail

See attached "Fiscal Detail" schedules.

G:\BUDGET\0506 Budget Development\BCPs and EIRs\2005-06 BCP\2005-06 Finance Letters\CUTS\2005-06 FL No. 2 - CUTS - Final for Board Meeting (1-28-05).doc

FINANCE LETTER
FISCAL DETAIL
FISCAL YEAR 2005-06
(\$ in Thousands)

Title of Proposed Change: CONSUMER USE TAX SECTION REVENUE ENHANCEMENT

Program/Element/Component: 30 Sales and Use Tax/30.40 Collecting Taxes Receivable

	Personnel Years		Current Year	Budget Year
	CY	BY		
TOTAL SALARIES AND WAGES _a/		7.0		\$210
Salary Savings		-.4		-11
NET TOTAL SALARIES AND WAGES		6.6		199
Staff Benefits _a/				70
NET TOTAL SALARIES AND WAGES		6.6		269
Distributed Administration				30 _b/
TOTAL PERSONAL SERVICES		6.6		\$299
OPERATING EXPENSE AND EQUIPMENT				
General Expense				\$69
Distributed Administration				8 _b/
Printing				
Communications				9
Postage				
Travel--In-State				
Travel--Out-of -State				
Training				5
Facilities Operations				20
Consulting & Professional Services: Interdepartmental				
Consulting & Professional Services: External				
Stephen P. Teale Data Center				1
Data Processing				4
Equipment				
Other Items of Expense: (Specify Below)				

_a/ See page 16 of 18 for itemized staff benefits and classification detail.

_b/ Represents Distributed Administration costs resulting from this BCP. The Distributed Administration costs for existing BOE programs will reflect a corresponding decrease which will be addressed in the Planning Estimate process.

	<u>Current Year</u>	<u>Budget Year</u>
TOTAL OPERATING EXPENSE AND EQUIPMENT		\$116
TOTAL EXPENDITURES (State Operations)		\$415

Source of Funds

General Fund	(0001)	\$270
--------------	--------	-------

Special Funds:

Breast Cancer Fund	(0004)
State Emergency Telephone	(0022)
Propane Surcharge Fund	(0051)
Motor Vehicle Fuel	(0061)
Occupational Lead Prevention Fund	(0070)
Childhood Lead Poisoning Prev. Fund	(0080)
Cig. and Tobacco Prod. Surtax Fund	(0230)
Oil Spill Prevention and Admin. Fund	(0320)
Integrated Waste Management Fund	(0387)
Underground Storage Tank Fund	(0439)
Energy Resources Programs Account	(0465)
CA. Children and Families First Trust Fund	(0623)
Timber Tax Fund	(0965)
Gas Consumption Fund	(3015)

Federal Funds

Other Funds

Reimbursements:	(0995)	\$145
-----------------	--------	-------

Net Total Augmentation (Source of Funds)		\$415
--	--	-------

**DETAIL OF STAFF BENEFITS
AND PERSONAL SERVICES**

Staff Benefits Detail:

Current Year Budget Year
(Whole Dollars)

OASDI		\$15,200
Health Insurance		20,700
Retirement		29,500
Workers' Compensation		3,800
Industrial Disability Leave		200
Non-Industrial Disability Leave		300
Unemployment Insurance		200
Other		500
TOTAL		\$70,000

<u>Classification</u>	<u>Positions</u>		<u>Salary _c/</u>	<u>Amount</u>	
	<u>CY</u>	<u>BY</u>		<u>CY</u>	<u>BY</u>
Sales and Use Tax Department:					
Consumer Use Tax Section:					
Tax Technician I_d/		3.0	\$26,160		\$78,500
Tax Technician II_e/		2.0	31,056		62,100
Tax Technician III_f/		2.0	34,740		69,500

Blanket Funds:
Overtime (Various)
Temporary Help

TOTAL SALARIES AND WAGES	<u>7.0</u>	<u>\$210,100</u>
---------------------------------	-------------------	-------------------------

- _c/ The salary is the mid-step of the salary range for the stated classification.
- _d/ 3 permanent full-time positions effective July 1, 2005.
- _e/ 2 permanent full-time positions effective July 1, 2005.
- _f/ 2 permanent full-time position effective July 1, 2005.

SUMMARY OF PROPOSED CHANGES

	Current Year (\$ in Thousands)	Budget Year (\$ in Thousands)	Budget Year + One (\$ in Thousands)
Proposed Equipment:			
PCs and Printers		\$11	
Total		\$11	
Proposed Contracts:			
Total			
One-Time Costs:			
General Expense		\$56	
Communications		5	
Consolidated Data Centers (Teale)		1	
Data Processing		4	
Total		\$66	
Future Savings:			
N/A			
Total			
Full-Year Cost Adjustments:			
N/A			
Total			